

MINUTES

VILLAGE OF LA GRANGE
BOARD OF TRUSTEES REGULAR MEETING
Village Hall Auditorium
53 South La Grange Road
La Grange, IL 60525

Monday, December 9, 2013 - 7:30 p.m.

1. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE

The Board of Trustees of the Village of La Grange regular meeting was called to order at 7:30 p.m. by President Livingston. On roll call, as read by Village Clerk John Burns, the following were present:

PRESENT: Trustees Holder Langan, McCarty, Nowak and Palermo

ABSENT: Trustee Kuchler

OTHERS: Village Manager Robert Pilipiszyn
Assistant Village Manager Andrianna Peterson
Village Attorney Mark Burkland
Finance Director Lou Cipparrone
Public Works Director Ryan Gillingham
Fire Chief William Bryzgalski
Police Chief Michael Holub

President Livingston requested Clerk Burns lead the Board and audience in the Pledge of Allegiance.

2. PRESIDENT'S REPORT

President Livingston thanked all who were involved in making the annual La Grange Business Association's Hometown Holiday a successful event despite the frigid temperature. President Livingston also acknowledged the La Grange Historical Society for their open house.

President Livingston indicated that the next regular Village Board meeting on December 23 is canceled.

Providing an update on the November 4, 2013 earth tremor, President Livingston indicated that the United States Department of Interior Geological Survey has amended their initial report and concluded that the tremor experienced was an earthquake.

President Livingston noted that the Lyons Township Quarry Council continues to collect information.

Relating to the redevelopment of the former YMCA property, President Livingston noted that there have been on-going meetings with the developer as well as with IDOT for public safety improvements.

For the 19th consecutive year, the Village of La Grange has received the Government Finance Officers Association (GOFA) Distinguished Budget Presentation Award for its Fiscal Year 2013-14 Budget document. President Livingston offered congratulations to Finance Director Lou Cipparrone and Assistant Finance Director Joe Munizza for their efforts in preparation of the document. President Livingston also acknowledged Finance Director Lou Cipparrone for his 20 years of public service to the Village of La Grange.

President Livingston noted that in November the Village Board held a retreat which allowed them to discuss a number of strategic priorities of which the minutes are included on the agenda for approval.

Lastly President Livingston announced that the agenda also includes an informational workshop discussion related to a food and beverage tax proposal.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

Steve Jasinski, President of the La Grange Business Association thanked the Board and staff for their on-going support of the business community.

4. OMNIBUS AGENDA AND VOTE

A. (Moved to Current Business for further discussion.)

B. Minutes of the Village of La Grange Board of Trustees Special Meeting Friday, November 1, 2013 and Saturday, November 2, 2013

C. Minutes of the Village of La Grange Board of Trustees Regular Meeting, Monday, November 11, 2013

D. Consolidated Voucher 131125 – (\$877,025.61)

E. Consolidated Voucher 131209 – (\$1,317,384.00)

Trustee Holder requested item 4-A be removed from the Omnibus Agenda and placed under Current Business for further discussion.

It was moved by Trustee Langan to approve items B, C, D, and E of the Omnibus Agenda, seconded by Trustee Nowak.

Approved by roll call vote.

Ayes: Trustees Holder, Langan, McCarty, Nowak and Palermo
Nays: None
Absent: Trustee Kuchler

5. CURRENT BUSINESS

4-A Request to Purchase – Police Department/Replacement of Mobile Data Terminals
(Removed from Omnibus for further discussion.)

Trustee Holder explained that the Police Department is seeking to purchase replacements for its eight mobile data terminals which have exceeded their useful life. Trustee Holder provided details on funding and the three competitive proposals received. As CDW-Government, the vendor awarded to the State purchasing contract, submitted a proposal slightly higher than CDS Office Technologies, Trustee Holder questioned if the lower proposal company is reliable and able to fulfill the replacement.

Police Chief Mike Holub responded affirmatively.

Trustee Holder moved to authorize staff to purchase eight Panasonic CF-31 Toughbooks, eight docking stations, and all necessary accessories from CDS Office Technologies of Itasca, Illinois in an amount not to exceed \$44,000 seconded by Trustee Langan.

With advancing technology, Trustee McCarty inquired if replacements every couple of years may be more cost effective. Police Chief Holub responded that it is beneficial to integrate the data terminals when patrol vehicles are replaced.

Trustee Palermo inquired as to when the previously approved patrol vehicles would be delivered. Chief Holub responded January, 2014.

Approved by roll call vote.

Ayes: Trustees Palermo, Nowak, McCarty, Langan and Holder
Nays: None
Absent: Trustee Kuchler

A. Ordinance (#O-13-28) Abatement of 2013 Tax Levy / 2005 Street Light Refunding
Bonds: Referred to Trustee McCarty

Trustee McCarty noted the importance of financial planning and effective management of Village resources. Stating that the Village budget is a working tool to prudent management, Trustee McCarty recognized cost effectiveness as a primary objective.

Trustee McCarty explained the history of the Residential Streetlight Program noting the Village Board's approval to issue alternate revenue bonds in 1998 to complete the program. Due to more favorable interest rates in 2005, the Village adopted an ordinance authorizing the refunding of the remaining outstanding bonds, thereby saving the Village approximately \$100,000 in interest over the remaining life of the issue which matures on December 1, 2017. Trustee McCarty added that the Series 2005 bond issue is a general obligation, alternate revenue source issue, backed by the full faith and credit of the Village. Revenues derived from the collection of utility taxes are pledged to pay the principal and interest expenditures related to this issue. Because sufficient revenues from the utility tax are available within the General Fund, it is appropriate to abate this portion of the tax levy.

It was moved by Trustee McCarty to approve the Ordinance abating taxes levied for 2013 with respect to the \$2,785,000 General Obligation Refunding Bonds, Alternate Revenue Source, Series 2005, in the amount of \$302,295, seconded by Trustee Holder.

Approved by roll call vote.

Ayes: Trustees Langan, Nowak, Holder, Palermo and McCarty
Nays: None
Absent: Trustee Kuchler

B. Ordinance (#O-13-29) Abatement of 2013 Tax Levy / General Obligation Alternate Revenue Water Bonds Series 2012A: Referred to Trustee McCarty

Trustee McCarty noted the Board's approval to replace the outdated and inaccurate water meters and initiate mechanical and technical upgrades to the water pumping station. Trustee McCarty added to fund these two significant infrastructure capital projects the Board adopted an ordinance authorizing the issuance of \$2.08 million in general obligation, alternate revenue water bonds in September, 2012. Trustee McCarty noted that the Series 2012A bond issue is a general obligation, alternate revenue source issue, backed by the full faith and credit of the Village. Revenues derived from the collection of water sales are pledged to pay the principal and interest expenditures related to this issue. Explaining that sufficient monies are budgeted and available within the Water Fund, it is appropriate to abate this portion of the tax levy.

It was moved by Trustee McCarty to approve the Ordinance abating taxes levied for 2013 with respect to the \$2,080,000 General Obligation, Alternate Revenue Water Bonds, Series 2012A, in the amount of \$129,230, seconded by Trustee Holder.

Approved by roll call vote.

Ayes: Trustees Palermo, Nowak, Holder, Langan, and McCarty
Nays: None
Absent: Trustee Kuchler

C. Resolution – Levying a Tax for Library Operating Purposes: Referred to Trustee
McCarty

Trustee McCarty indicated that the La Grange Library Board of Trustees 2013 tax levy request for operating purposes is \$2,135,277 which is a 2.97% increase over last year's tax levy. This is the allowable increase under the Property Tax Limitation Act equal to the increase of the Village tax levy request. Because the La Grange Library this a "municipal library" rather than a separate "public library district" it must levy property taxes as part of the Village of La Grange tax levy. Trustee McCarty noted that the Library's debt service levy decreased due to more favorable interest rates and the recent refunding of the 2004 General Obligation Library bonds originally issued for the construction of the new library building. Adding that by refunding the outstanding bonds, Village residents will realize a savings of approximately \$750,000 in interest over the remaining life of the issue which will mature in December, 2024.

Library Board President Bridgette O'Connor, Library Board Trustee Tim Kelpsas, and Library Director Jeannie Dilger were in attendance and offered to answer any questions.

It was moved by Trustee McCarty to accept La Grange Public Library Resolution approved by the Library Board, seconded by Trustee Nowak.

Approved by roll call vote.

Ayes:	Trustees Holder, Palermo, Langan, Nowak and McCarty
Nays:	None
Absent:	Trustee Kuchler

D. Ordinance (#O-13-30) – 2013 Property Tax Levy for Village Operations: Referred to
Trustee McCarty

Trustee McCarty explained that the preliminary 2013 property tax levy was reviewed and discussed in detail at the November 11, 2013 Village Board meeting and since the tax levy did not exceed Truth in Taxation requirements it was not necessary to hold a public hearing to adopt the final levy.

The final tax levy includes an increase of 2.97%, exclusive of debt service, over the prior year's tax extension. The increase reflects the allowable increase under the Property Tax Limitation Act of 1.70% (Consumer Price Index) as of December 2012.

Trustee McCarty noted that on average, a home with an estimated market value of \$350,000 would only incur an annual increase of \$16.23 from the Village levy and \$4.33 from the Library levy.

Although a Special Service Area levy is filed with Cook County to fund on-going maintenance of the Central Business District, it is not subject to the Truth in Taxation requirements. By ordinance the Special Service Area levy is to be adjusted annually by the Consumer Price Index utilized as part of the Property Tax Limitation Act. Trustee McCarty noted the 2013 Special Service Area levy of \$68,453 reflects an increase of 1.70% over last year's levy of \$67,309.

It was moved by Trustee McCarty to adopt the ordinance requesting a 2013 property tax levy of \$8,542,751, exclusive of debt service, which is a 2.97% increase from the 2012 levy, seconded by Trustee Langan.

Approved by roll call vote.

Ayes: Trustees Holder, Palermo, Langan, Nowak and McCarty
Nays: None
Absent: Trustee Kuchler

6. MANAGER'S REPORT

A. Pre-Budget Development Workshop – Revenues (Food and Beverage Tax)

President Livingston requested Village Manager Robert Pilipiszyn to present this item.

Mr. Pilipiszyn stated that at the Village Board's recent strategic planning session, staff suggested implementation of a food and beverage tax in lieu of a planned increase in the Village's utility tax on gas and electricity to become effective May 1, 2014.

Mr. Pilipiszyn explained that such a tax is a trending revenue source for non-Home Rule communities, like La Grange, and builds on the Village's strength as being a regional destination for dining and food service. The Village Board was receptive to giving this concept further consideration so an informational workshop was arranged for this evening. He requested Finance Director Lou Cipparrone to elaborate on the scope of the tax, projected annual revenue, proposed uses and comparable community information.

Mr. Cipparrone noted that the Village's current operating budget includes a 1% increase in the municipal utility tax for fiscal year 2014-15 which would generate additional revenue to fund operating costs, pensions, capital projects and rebuild reserves. As the Board has expressed concern on taxing residents, Mr. Cipparrone noted that the food and beverage tax is an alternative source of revenue. It is estimated that two-thirds of a food and beverage tax would generally be paid for by non-residents.

Mr. Cipparrone explained that the Places for Eating Tax is imposed by local ordinance and does not require a public referendum. Mr. Cipparrone provided detailed information on how the food and beverage tax would be managed, estimated annual revenues, and a list of comparable communities.

President Livingston thanked Finance Director Cipparrone and opened the discussion to members of the Board.

Trustee Nowak inquired what determines that the food and beverage tax would be absorbed by non-residents. Mr. Cipparrone responded that Community Development Director Patrick Benjamin has based that information on feedback and data from business owners. Trustee Holder added that tracking by credit card zip codes would determine residency.

Trustee Palermo requested how the collection of such taxes would evolve. Mr. Cipparrone responded that although similar to the state sales tax, the Places for Eating Tax is collected by the local municipality. Trustee Palermo questioned if additional staff would be required. Mr. Cipparrone advised he did not believe so and noted it could be handled by accounts receivable. Trustee Palermo inquired how audits and accountability would be maintained. Mr. Cipparrone responded that specifics would be written into the ordinance.

Trustee Holder expressed his preference for the food and beverage tax rather than a utility tax solely on La Grange residents, citing the Village's ability to maintain operations, meet pension obligations and build reserve funds.

As a small business owner, Trustee McCarty inquired about penalties and the collection process should businesses fall behind. Village Attorney Mark Burkland advised that some sort of recourse and annual review would be applicable.

Referencing the strategic planning session, Trustee Langan noted that the Village is at a critical point, having already cut \$1.5 million in expenditures. Believing this is an interesting concept, Trustee Langan noted his desire for continued open discussion with business owners.

President Livingston opened the floor to the audience.

Mr. Phil Palmer, owner of Palmer Place Restaurant at 56 S. La Grange Road inquired what geographic area and what type of businesses would be included in the food and beverage tax. Mr. Palmer expressed concerns on impacts that the food and beverage tax along with the affordable health care act may have on businesses. Mr. Palmer suggested a possible blend of municipality utility tax along with a food and beverage tax. Mr. Cipparrone responded that the food and beverage tax would be Village wide and not just the Central Business District. Mr. Cipparrone added that the tax is levied on the gross receipts received for prepared food sold at retail and any tax would be effective May 1, 2014.

Steve Jasinski, President of the La Grange Business Association understands the issues, however would like additional information on the disbursement of the tax as it relates to economic development.

President Livingston responded that the disbursement of resources is yet to be determined and returned the discussion back to the Village Board of Trustees.

Trustee Palermo would like to see additional information for other tax rates to review how the Village compares with other municipalities. Trustee Palermo inquired if consideration had been given for other ways of sharing the tax burden through an increase in the non-Home Rule sales tax. Mr. Cipparrone responded that increases in sales tax for a non-home rule community would require a voter referendum.

Trustee Langan noted the importance of educating businesses and providing details to assist in the Board's decision making process.

Trustee Holder would like additional information on the percentage of utility tax revenue derived from commercial versus residential.

Looking at future revenue that may be generated from the development of the former YMCA property, Trustee Palermo wondered if both the utility tax and the initiation of a food and beverage tax could be delayed one year. Without additional revenues, Mr. Cipparrone noted impacts on other essential items.

Trustee Nowak feels any revenues derived from a tax increase should be utilized only for improvements to infrastructure. Expressing concerns with the impact on local businesses, Trustee Nowak would like staff to propose additional expense reductions before making a decision.

Noting numerous items to consider, President Livingston indicated the discussion would continue into the budget development process.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

None

8. EXECUTIVE SESSION

9. TRUSTEE COMMENTS

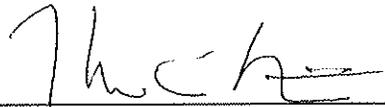
Trustee Holder thanked Village staff for the successful Hometown Holiday and special thanks to Finance Director Lou Cipparrone.

Trustee Langan expressed his thanks to Finance Director Cipparrone for his high level of professionalism.

Trustee Nowak added his thanks to Finance Director Cipparrone.

10. ADJOURNMENT

At 8:40 p.m. Trustee Langan moved to adjourn, seconded by Trustee Holder. Approved by voice vote.



Thomas E. Livingston, Village President

ATTEST:



John Burns, Village Clerk

Approved Date: January 13, 2014